



For the week ending April 28, 2017: The S&P500 finished slightly positive on the week, fueled mostly by relatively positive earnings announcements across the board. So far, the S&P500 has reported an average of 14% growth in earnings for the first quarter. It appears top and bottom line earnings results have been on the positive side of expectations. Aside from corporate earnings, the market has been reacting to potential plans for tax reform. It is difficult to say with any degree of certainty that the administration will be able to achieve their tax reform goals, however, the market has been responding to the slightest hint of a successful deal.

US GDP Q1 growth rates came in below expectations with a slowdown in consumer spending. This isn't as dire as it may seem, however, with the mild winter causing less demand for energy/heating. It does not appear the miss is indicative of an overall slowdown in the economy.

We will wrap up the majority of earnings announcements in the week to follow with AAPL, FB, MRK and PFE reporting 1Q results.

Michael J. Dashner CFA
Portfolio Manager

Index & Price Changes for week ending 4/28/17

DJIA – 20,940.51	Rose 392.75 points
NASDAQ – 6047.606	Rose 137.086 points
S&P 500 – 2384.20	Rose 35.51 points
S&P Small Cap 600 – 851.36	Rose 12 points
90 Day T Bill – 0.80%	Yield Rose .02%
2 yr TSY – 1.28%	Yield Rose .10%
5 yr TSY – 1.81%	Yield Rose .05%
10 yr TSY – 2.29%	Yield Rose .06%
30 yr TSY – 2.96%	Yield Rose 0.07%
Oil - \$ 49.33*	Fell \$0.29 per barrel
Gold - \$ 1268.29*	Fell \$20.21 per oz.
Unleaded Gasoline* -\$1.54	Fell \$.1 per gallon
Euro - \$ 1.0895	Rose .0167 against the \$

* Wholesale price for NY Mercantile Exchange traded contract

GROWTH!!

The growth of value in the markets has been significant this year. Although the media seems mystified by the markets continued growth and want to attach all things economically to Washington, politics and politicians. The reality is, it's the economy and corporate earnings causing this growth. Most of our global trading partners, including China, India, Japan, Canada, and Europe are showing improving economic growth. This economic growth is now being reflected in corporate revenues and net income during this quarterly earnings season. U.S. economic growth may show less than stellar numbers for the first quarter, although slow first quarter growth has been the pattern for the past few years with improvement as the year rolls along. That said, we see economic and corporate earnings continuing to grow at a steady pace.

Managing growth is critical to any firm's success. Stonebridge has been fortunate to experience significant growth over the years and we are thankful to you, our clients, advisors and friends, who have made it all possible. We are mindful that growth must be managed to assure that we remain true to our commitment to provide customized portfolios and a high level of service through direct contact with portfolio managers and a proactive team that supports your needs and objectives. Stonebridge will be growing this year by adding team members and a new portfolio management and reporting software system.

Jeff H. Brimm, Regional Director Southeast

We are pleased to announce, Jeff Brimm has joined Stonebridge as a Regional Director focused on the Southeast region providing marketing, client relationship and investment services for our clients and advisors. Jeff has significant experience as an advisor providing financial and investment services. We have worked with Jeff over the past 10 years and are very excited to have him join our team this year. You can reach Jeff at 615-394-3441 or by email at JBrimm@stonebridgecap.com.

Portfolio Management

Portfolio Manager and Sr. Equity Research Analyst – We will be adding a very experienced portfolio manager who will also serve as the leader of our equity research analyst team. This position will be officially announced in May.

Assistant Portfolio Manager – In July we will be adding an assistant portfolio manager who will be serving to support the portfolio managers with client portfolios. This person will also be working on completing their Chartered Financial Analyst (CFA) designation and improving our efficiency in the use of portfolio management technology.

Client Service Associate

We will be adding an associate to our Client Relationship and Marketing team. This position will be filled in May and focus on delivering marketing services to our advisor relationships and serving new clients in the set up and service standards of a new account relationship.



Portfolio Management and Reporting System

For the past 17 years Stonebridge has operated on the Advent Axys system to manage portfolios and provide client reporting. This system had served us well. We now need a system that will improve our efficiency in managing portfolios and deliver a vastly improved report system for our clients that will be accessible daily by our clients through our website. The new software is also offered by Advent called Black Diamond. We are testing the system by running it parallel with our current system and plan to go live with Black Diamond in the 4th quarter of 2017.

We think it is important for you to know what our plans are for managing growth as we continue through 2017. As new team members join our firm we will make formal introductions and provide you with contact information. We are a client led, partnership driven firm. That said, I welcome your comments and questions. Please contact me if you would like to offer a recommendation or need additional information.

Robert A. Kincade
President & Portfolio Manager